

complaint

Mr H complains his car was impounded after it was found that Eldon Insurance Services Ltd had recorded the wrong registration number on his motor vehicle insurance policy. It then cost him £210 to have the car released.

background

Mr H applied for his policy online, and then phoned Eldon to make payment and finalise the purchase.

When asked in the initial call, Mr H confirmed the information he had given online was correct. However, he had mistakenly provided the incorrect car registration. Neither he nor Eldon realised this at the time. The policy was arranged, based on the incorrect registration number.

Several months later, Mr H was stopped by police. The car was impounded because it showed up on the motor insurance database as being uninsured.

Mr H contacted Eldon and the mistake was discovered. The insurer issued a letter confirming they would indemnify for any insured event, and Mr H was able to have the car released after he paid the impound fee of £210.

He complained to Eldon, who acknowledged that a system error meant the anomaly with the registration number wasn't picked up when the policy was taken out. Eldon also accepted that no policy documents had been sent to him or uploaded on the online portal. It offered Mr H £105 compensation, but Mr H did not accept that.

Our investigator upheld the complaint. He noted Mr H's initial mistake with the registration number. But he felt that if Eldon's system had picked up the error, and it had provided the policy documents as it should have, then the car would not have been impounded and Mr H would not have incurred that cost or inconvenience. He suggested a fair settlement would be for Eldon to pay the impound fee, together with £50 compensation.

Eldon did not agree and so the complaint has come to me to decide.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I appreciate that it was Mr H who made the initial mistake in providing the incorrect registration number for the car, when he was completing his online application for insurance. However, I think it's reasonable to expect that Eldon's system would have been able to identify this error at the time, as the registration number entered apparently did not exist. But Eldon says there was a system error, and so that opportunity to correct the mistake was missed.

Eldon also agrees it didn't provide Mr H with the policy documents after the policy was set up. Again, that is something it should have done. If Mr H had received the documents, he would have had the chance to check the details and correct the error in the intervening months before he was pulled over by the police.

Consumers have a responsibility to take care in providing the correct information when they are applying for insurance. But in this particular case, I'm satisfied it's more likely than not the car would not have been impounded if Eldon had done what it should reasonably have done: had systems operating to check the registration number in the first place, and provided Mr H with access to his policy documents. So it's fair that Eldon should cover the impound charge.

It should also pay Mr H £50 compensation for the avoidable trouble and upset he experienced because of Eldon's omissions.

my final decision

For the reasons I've given above, it is my final decision that I uphold this complaint. I am satisfied the settlement proposed by the investigator is fair and reasonable.

Eldon Insurance Services Ltd is required to reimburse Mr H the charge he incurred to have his car released (£210). It is also required to pay him £50 compensation for the trouble and upset caused. It can deduct from this total amount any compensation sum that it has already paid Mr H.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 20 January 2019.

Helen Moya
ombudsman